

20/01/2006

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0046**

"Extension of the Sunset Clauses for Registration of Capacity at NTS Exit Points"

Please note that Modification Proposal No 0046 will be implemented with effect from 06:00 hours on 23/01/2006. The Final Modification Report, Version 2.0, was signed by Ofgem on 20/01/2006.

The new Code text resulting from this Modification follows.

Modified Text:

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT
SECTION B – SYSTEM USE AND CAPACITY**

Amend paragraph 3.9.1(a) to read as follows:

- "(a) ~~to increase the~~ for an amount (or increased amount) of its NTS Offtake Capacity at an NTS/LDZ Offtake pursuant to paragraph 6.3;"

Amend paragraph 3.9.3(b) (ii) to read as follows:

- "(ii) the period (commencing on the date specified under paragraph (i) and ending not later than 30 September ~~2008~~2010) for which it applies for the relevant amount or increased amount of System Capacity or (as the case may be) redesignation of the Interruptible Supply Point as Firm;

Amend paragraph 6.2.1 to read as follows:

"6.2.1 Transco NTS will issue to each DNO User, not later than 30 September in each Gas Year, a statement ("**Offtake Capacity Statement**") specifying, for each DNO User, for each of the Gas Years (each a **relevant** Gas Year) up to and including the Gas Year ending 30 September ~~2008~~2010, in relation to each NTS/LDZ Offtake:

- (a) an amount of NTS Offtake (Flat) Capacity;
- (b) an amount of NTS Offtake (Flexibility) Capacity;

(c) Assured Offtake Pressures (in accordance with Section J2.5)."

Amend paragraph 6.2.4 to read as follows:

"6.2.4 The Offtake Capacity Statement issued in any Gas Year will, as respects each relevant Gas Year, contain the same details as were specified in the preceding year's statement for that Gas Year, subject to any revision pursuant to paragraph 6.3 or, in the case of Assured Offtake Pressures, Section J 2.5."

Amend paragraph 6.3.2 to read as follows:

"6.3.2 A DNO User may apply :

- (a) to increase its NTS Offtake Capacity at an NTS/LDZ Offtake:
 - (i) in relation to any relevant Gas Year (year Y) or any relevant Gas Year after Year Y by submitting an application to Transco NTS during the period (the **Application Window**) 1 June to 31 July in Gas Year Y-1;
 - (ii) in relation to any relevant Gas Year (year Y) or the remaining part thereof where the DNO User might otherwise be unable to comply with the relevant conditions of its Transporter's Licence, by submitting an application to Transco NTS at any time after the end of the Application Window in Gas Year Y-1;
- (b) for an amount of NTS Offtake Capacity at an NTS/LDZ Offtake in relation to any relevant Gas Year (year Y) by submitting an application to Transco NTS during the Application Window 1 June to 31 July in Gas Year Y-4;

subject to and in accordance with this paragraph 6."

Amend paragraph 6.3.3 to read as follows:

"6.3.3 An application for ~~increased~~ an amount of NTS Offtake Capacity or for an increase in NTS Offtake Capacity at an NTS/LDZ Offtake shall specify:

- (a) the identity of the User;
- (b) the relevant NTS/LDZ Offtake;
- (c) the relevant Gas Year or Gas Years (or parts thereof) in respect of which the application is made;
- (d) the amount or increased amount of NTS Offtake (Flat) Capacity and/or the amount or increased amount of NTS Offtake (Flexibility) Capacity applied for."

Amend paragraph 6.3.4 to read as follows:

"6.3.4 Transco NTS may reject, or accept in part only, an application for ~~increased~~ an amount of or an increase in NTS Offtake Capacity in respect of an NTS/LDZ Offtake where, or (as the case may be) to the extent that, Transco NTS determines that it would not be feasible to make gas available for offtake at the NTS/LDZ Offtake on the basis of such amount or increased amount of NTS Offtake Capacity throughout the period for which the application is made."

Amend paragraph 6.3.5 to read as follows:

“ 6.3.5 In making any determination under paragraph 6.3.4 in relation to applications made within an Application Window, Transco NTS will take into account all applications received by Transco NTS within the Application Window from DNO Users for ~~increased~~ an amount of or an increase in NTS Offtake Capacity and from any Shipper User for an amount of or an increase in NTS Exit Capacity at an NTS Exit Point other than an NTS/LDZ Offtake (and where relevant the provisions of paragraph 3.9).”

Amend paragraph 6.3.6 to read as follows:

“6.3.6 Transco NTS will:

- (a) in the case of an application under paragraph 6.3.2(a)(i) or (b), by 30 September following the relevant Application Window-Period; and
- (b) in the case of an application under paragraph 6.3.2 ~~(b)(a)(ii)~~, as soon as reasonably practicable after receiving the application;

notify the User whether its application is accepted in whole or in part, or rejected, specifying (where the application is accepted in part) the amount of NTS Offtake (Flat) Capacity and/or NTS Offtake (Flexibility) Capacity for which the application is accepted.”

Amend paragraph 6.3.8 to read as follows:

“6.3.8 Where Transco NTS accepts an application (in whole or in part) for ~~increased~~ an amount of, or an increase in, NTS Offtake Capacity, or where a DNO User decreases the amount of its NTS Offtake Capacity, Transco NTS will issue a revised Offtake Capacity Statement reflecting ~~the~~ such amount, or such increase or decrease.”

SECTION J – EXIT REQUIREMENTS

Amend paragraph 2.5.3 to read as follows:

“2.5.3 For the purposes of Section B6.3, in connection with an application for ~~increased~~ an amount or an increase in NTS Offtake Capacity, Transco NTS will not determine that it is feasible to make gas available for offtake on the basis of such increase to the extent that the 0600 and 2200 pressures at which it expects that, under normal NTS operating conditions, gas would (if such application were accepted) be available for offtake at the NTS/LDZ Offtake on any Day during any relevant Gas Year would be reduced below the prevailing Assured Offtake Pressures”

Amend paragraph 2.5.4 to read as follows:

“2.5.4 A DNO User may, at the times at which it may apply (in accordance with B6.3.2) for :

- (a) an increase in NTS Offtake Capacity, apply to increase the Assured Offtake Pressures in relation to an NTS/LDZ Offtake for a relevant Gas Year;
- (b) an amount of NTS Offtake Capacity, apply for the Assured Offtake Pressures in relation to an NTS/LDZ Offtake for a relevant Gas Year.”

Amend paragraph 2.5.5 to read as follows:

“2.5.5 Subject to paragraph 2.5.7, Transco NTS may reject, or accept in part only, any application for-increased, or an increase in, Assured Offtake Pressures in respect of an NTS/LDZ Offtake in a Gas Year where, or (as the case may be) to the extent that, Transco NTS determines (having regard, inter alia, to the amounts of NTS Offtake Capacity and NTS Exit Capacity held by Users) it would not be possible (under all credible NTS operating conditions) to make gas available for offtake at the NTS/LDZ Offtake on any Day during that Gas Year at the increased Assured Offtake Pressures applied for.”

Add new paragraph 2.5.7 to read as follows:

“2.5.7 For the purposes of paragraph 2.5.5, where a DNO User has applied for Assured Offtake Pressures at an NTS/LDZ Offtake for a relevant Gas Year in accordance with paragraph J2.5.4(b), then where the Assured Offtake Pressures specified in the Offtake Capacity Statement for the preceding year are:

- (a) greater than or equal to the Assured Offtake Pressures applied for, such application will be accepted; or
- (b) less than the Assured Offtake Pressures applied for, the Assured Offtake Pressures accepted will be not less than the values specified in the Offtake Capacity Statement for such preceding year.”

UNIFORM NETWORK CODE – TRANSITION DOCUMENT

PART IIC – TRANSITION RULES

“1.1 TPD Section B : SYSTEM USE AND CAPACITY

Amend the following new paragraphs to paragraph 1.1.1:

1.1.2 TPD Section B6.3.2(b)

A DNO User may apply for an amount of NTS Offtake Capacity at an NTS/LDZ Offtake in relation to the relevant Gas Year ending 30 September 2009 by submitting an application to Transco NTS no later than 15 October 2005 subject to and in accordance with TPD Section B6.

1.1.3 TPD Section B6.3.6

In the case of an application under paragraph 1.1.2, Transco NTS will notify the DNO User by no later than 12 November 2005 whether such application has been accepted in whole or in part, or rejected, specifying (where the application is accepted in part) the amount of NTS (Flat) Capacity and /or NTS Offtake (Flexibility) Capacity for which the application is accepted.

1.1.4 TPD Section B 6.2.1

Transco NTS will issue to each of the DNO Users not later than 12 November 2005 a revised Offtake Capacity Statement specifying the amount of NTS Offtake (Flat) Capacity, NTS (Flexibility) Capacity and Assured Offtake Pressures for each of the DNO Users for each of the Gas Years up to and including the Gas Year ending 30 September 2009 in relation to each NTS/LDZ Offtake.”

“1.2 TPD Section J : EXIT REQUIREMENTS

Add the following paragraphs to paragraph 1.2.1 :

1.2.2 TPD Section J2.5.4(b)

A DNO User may, at the time at which it may apply for an amount of NTS Offtake Capacity (in accordance with paragraph 1.1.2) apply for Assured Offtake Pressures in relation to each NTS/LDZ Offtake for the Gas Year ending 30 September 2009.

1.2.3 TPD Section J2.5.7

Where an application has been made in accordance with paragraph 1.2.2 then where the Assured Offtake Pressures specified in the Offtake Capacity Statement for the preceding year are:

- (a) greater than or equal to the Assured Offtake Pressures applied for, such application will be accepted;
- (b) less than the Assured Offtake Pressures applied for, the Assured Offtake Pressures accepted will be not less than the values specified in the Offtake Capacity Statement for such preceding year;

and in either case Transco NTS will notify the DNO User accordingly by no later than 12 November 2005.”

Yours sincerely,

Julian Majdanski
Modification Panel Secretary